

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2009

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30/09/2009 RM'000	30/09/2008 RM'000	30/09/2009 RM'000	30/09/2008 RM'000
Revenue	14,946	8,820	14,946	8,820
Cost of sales	(12,281)	(6,737)	(12,281)	(6,737)
Gross profit	2,665	2,083	2,665	2,083
Operating expenses	(1,071)	(1,405)	(1,071)	(1,405)
Other (expense)/income	(224)	(619)	(224)	(619)
Operating profit	1,370	59	1,370	59
Interest income	23	90	23	90
Interest expense	(93)	(61)	(93)	(61)
Profit before taxation	1,300	88	1,300	88
Taxation	(500)	-	(500)	-
Profit for the period	800	88	800	88

Earnings per ordinary share (sen):-

(a) Basic	1.29	0.14	1.29	0.14
(b) Fully diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the Year Ended 30 June 2009.

NARRA INDUSTRIES BERHAD

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CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 SEPTEMBER 2009

	As at end of current quarter 30/09/2009 RM'000	As at preceding financial year end 30/06/2009 RM'000
Non-current assets		
Property, plant and equipment	8,848	9,043
Prepaid lease payments	2,486	2,504
Goodwill on consolidation	36,428	36,428
Deferred tax assets	1,711	1,271
	49,473	49,246
Current assets		
Inventories	2,928	2,798
Trade and other receivables	13,200	7,629
Tax recoverable	48	48
Deposits, cash and bank balances	15,489	10,122
	31,665	20,597
TOTAL ASSETS	81,138	69,843
Equity		
Share capital	62,188	62,188
Reserves	(4,333)	(5,149)
	57,855	57,039
Non-current liabilities		
Retirement benefits	233	234
	233	234
Current liabilities		
Trade and other payables	11,846	4,209
Taxation	945	-
Short term borrowings and overdraft	10,259	8,361
	23,050	12,570
TOTAL LIABILITIES	23,283	12,804
TOTAL EQUITY AND LIABILITIES	81,138	69,843
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.93	0.92

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the Year Ended 30 June 2009.

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE
 PERIOD ENDED 30 SEPTEMBER 2009**

	Share capital	Translation reserve	(Accumulated losses)/ Retained profits	Total equity
	RM'000	RM'000	RM'000	RM'000
Current year-to-date ended 30 September 2009				
At 1 July 2009	62,188	(13)	(5,136)	57,039
Foreign currency translation difference	-	16	-	16
Net profit for the period	-	-	800	800
At 30 September 2009	62,188	3	(4,336)	57,855
Preceding year corresponding period ended 30 September 2008				
At 1 July 2008	62,188	-	(4,438)	57,750
Net profit for the period	-	-	88	88
At 30 September 2008	62,188	-	(4,350)	57,838

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the Year Ended 30 June 2009.

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE PERIOD
 ENDED 30 SEPTEMBER 2009**

	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2009 RM'000	30/09/2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,300	88
Adjustments for:-		
Depreciation and amortisation	215	227
Non cash item	(12)	-
Net interest expenses/(income)	70	(29)
Operating profit before changes in working capital	1,573	286
Changes in working capital		
Net change in current assets	(5,721)	(322)
Net change in current liabilities	7,637	(245)
Net income taxes refunded/(paid)	-	1,047
Retirement benefits paid	(1)	-
Dividend received	32	-
Net interest (paid)/received	(70)	29
Net cash generated from operating activities	3,450	795
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	(2)	-
Net cash (used in)/generated from investing activities	(2)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from/(repayment of) bank borrowings	1,898	(2,650)
Net cash used in financing activities	1,898	(2,650)
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,346	(1,855)
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	10,122	10,994
EFFECT ON FOREIGN EXCHANGE	21	-
CASH & CASH EQUIVALENTS AT END OF PERIOD	15,489	9,139

Cash and cash equivalents included in the consolidated cash flow statement comprise the following balance sheet amounts:

	31/09/2009 RM'000	30/09/2008 RM'000
Deposits, cash and bank balances	15,489	9,139

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the Year Ended 30 June 2009.

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1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standards (“FRS”) 134 “Interim Financial Reporting” and the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group’s audited financial statements for the financial year ended 30 June 2009.

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2009.

On 1 July 2009, the Group has adopted FRS 8 Operating Segments. The adoption of FRS 8 does not have any financial impact on the financial statements of the Group.

The Group has not applied all the Amendments to FRSS, FRSS and IC Interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) which are not yet effective.

Amendments to FRS 2, FRS 4, FRS 120, FRS 129, FRS 131, FRS 140, IC Interpretation 11, IC Interpretation 13 and IC Interpretation 14 are not applicable to the Group and hence, no further disclosure is required.

The Group plans to adopt the other Amendments to FRSS, FRSS and IC Interpretations for the financial year ending 30 June 2011.

The financial impact on the financial statement of the Group resulting from the adoption of FRS 7 and FRS 139 upon first adoption of these FRSS as required by paragraph 30(b) of FRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* are not disclosed by virtue of the exemptions given in the respective FRSS.

The first adoption of the other Amendments to FRSS, FRSS and IC Interpretations are not expected to have any material impact on the financial statements of the Group.

2. Qualification of audit report of the preceding annual financial statements

The audit report for the preceding annual financial statements was not qualified.

3. Seasonality or cyclicity of interim operations

The Group’s operation is not affected materially by any seasonal / cyclical factors.

4. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence during the quarter under review and financial year-to-date.

5. Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years

There were no changes in estimates of amounts reported in prior financial years.

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6. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuance of shares, share buy-back, shares cancellation, resale of treasury shares nor repayments of debt or equity securities during the quarter under review and financial year-to-date.

7. Dividend

There were no dividend paid during the current financial year-to-date.

8. Operating segments

The Group is solely involved in the business of design, manufacture and supply of furniture and interior design fit-out works. Accordingly, information by operating segments on the Group's operations as required by FRS 8 is not presented.

9. Valuations of property, plant and equipment

This note is not applicable as no valuation had been carried out for the property, plant and equipment of the Group.

10. Material events not reflected in the financial statements

There were no material subsequent events to be disclosed as at the date of this report.

11. Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter under review, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations.

12. Contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets as at the date of this report.

13. Review of Performance

The Group registered a revenue of RM14.9 million for the quarter under review, an increase of 69% as compared with RM8.8 million registered in the preceding year's corresponding quarter. The Group posted a profit before taxation ("PBT") of RM1.3 million for the quarter under review as compared with a PBT of RM0.09 million recorded in the previous year's corresponding quarter due to a higher revenue.

14. Material changes in PBT against the immediate preceding quarter

The Group recorded a PBT of RM1.3 million for the quarter under review as compared with a PBT of RM0.08 million in the preceding quarter due to the factor as explained in note 13.

15. Prospects

Taking into account the prevailing economic conditions, the Board expects to sustain the Group 1st quarter's performance.

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16. Profit forecast / profit guaranteed

This note is not applicable.

17. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/06/2009 RM'000	30/09/2008 RM'000	30/06/2009 RM'000	30/09/2008 RM'000
Current tax				
- current	940	-	940	-
- prior years	-	-	-	-
Deferred tax				
- current	(440)	-	(440)	-
- prior years	-	-	-	-
	500	-	500	-

The Group's effective tax rate is higher than the Malaysian statutory tax rate mainly due to higher statutory tax rate payable by an indirect foreign subsidiary.

18. Sale of unquoted investments and/or properties

There were no sales of unquoted investments and/or properties for the quarter under review and financial year-to-date.

19. Quoted securities

There were no purchases or disposals of quoted securities for the quarter under review and financial year-to-date.

20. Corporate proposals

There were no corporate proposals announced but not completed as at the date of this report.

21. Group's borrowings and debt securities

The Group's borrowings as at 30 September 2009 consist of unsecured short-term trade financing.

There is no foreign currency borrowing as at 30 September 2009.

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22. Financial instruments with off balance sheet risk

Derivative financial instruments are used to reduce exposure to fluctuations in foreign exchange rates and interest rates. While these are subject to the risk of market rates changing subsequent to acquisition, such changes are generally offset by opposite effects on the items being hedged.

Financial instruments are viewed as risk management tools by the Group and are not used for trading or speculative purposes.

Gains and losses on foreign exchange forward contracts are recognised in the income statements upon realisation.

There were no financial instruments with off balance sheet risk as at 11 November 2009.

23. Changes in material litigation

There is no material litigation as at the date of this report.

24. Dividend

a) The Board does not recommend any interim dividend for the quarter ended 30 September 2009 of the financial year ending 30 June 2010 (2008/2009 : Nil).

b) For the financial year-to-date, no dividend has been declared (2008/2009 : Nil).

25. Earnings Per Ordinary Share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the quarter under review is calculated by dividing the Group's profit attributable to ordinary shareholders of RM800,000 (2008/2009: net profit of RM88,000) by the weighted average number of ordinary shares outstanding during the quarter of 62,187,600 (2008/2009 : 62,187,600).

Diluted earnings per share

The Group has no dilution in its earnings per ordinary share in the quarter under review / financial year-to-date and preceding year corresponding quarter / period as there are no dilutive potential ordinary shares.

By Order of the Board
Narra Industries Berhad

Joanne Leong Wei Yin
Company Secretary

Kuala Lumpur
18 November 2009